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**From:**

**Sent:** Monday, October 06, 2008 2:20:37 PM

**To:**

**Cc:**

**Subject:** RE: Over sheltered return question

It depends.

If the adjustments will result in a change to DNI that changes the tax implications at both the trust and beneficiary level, separate notices of adjustment need to be issued to both the trust and the beneficiaries. If the adjustments do not change the tax at the beneficiary level, you only need to send a notice of adjustment to the trust.

An audit notification did not need to be issued to the beneficiaries, only the trust.